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NSC BRIEFING

24 September 1954

CURRENT SITUATION - CHINESE OFFSHORE ISLANDS

- I. Continuing Communist threat to Quemoy:
 - A. Communist artillery hit Quemoy with 3,600 rounds on 22 September.
 - B. Compares with 6,000 rounds on 3 September; 100-200 rounds daily average since 3 September.
 - C. Latest shelling may be response to Nationalist strikes.
 - D. May presage more aggressive Communist defense of Amoy area, including use of planes.
- II. No signs, however, that Communist land and naval forces being concentrated for invasion of Quemoy.
 - A. Also no evidence Communist air units moved closer to Quemoy.

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- B. Still some chance of Communist air and amphibious attacks on Quemoy, particularly if US forces in area withdrawn.
 - C. As face-saving alternative, Communists might attack two tiny islands southwest of Quemoy.
- III. Continuing Nationalist operations in Amoy area:
- A. Nationalist air and naval patrols along Fukien and Chekiang coasts.
 - B. Nationalist bombing of mainland targets continuing.
 - C. Reinforced artillery has permitted heavier Nationalist counter-fire.
 - D. Additional tanks soon to be sent; demolition teams arriving to begin raids on mainland.

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- E. Nationalist reported planning raid on mainland, in brigade strength, after 30 September.
 - F. This planned raid may be intended to provoke Communist counteraction and involve US forces.
- IV. Renewed threat to Tachens.
- A. Unusually large concentration Communist shipping observed in Haimen area, 25 miles NW of Tachens, on 13 September.
 - B. Two days later, Communist artillery fired on Ichiang, 9 miles NW of Tachens.
 - C. Communist air patrolling of area between Ningpo and Tachens continues.
 - D. Shipping necessary to transport 30,000 troops--enough to take Tachens--could be assembled by Communists quickly, with little warning.

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V. Nationalists alert to threat.

- A. Nationalists have intensified air and sea reconnaissance near Tachens, have ordered supplies to Tachens increased.
- B. Nationalist strength on Tachens about 10,000 regulars, 7,500 guerrillas.

VI. Meanwhile Communist propaganda against Formosa continues, highlighted by 23 September blast by Chou En-lai.

- A. Chou declares, for first time, US 7th Fleet "must be driven out."
- B. However, Chou's speech, like all top-level pronouncements, suggests that further preparations are necessary.

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C. In this connection we have reports from Hong Kong that Communists have placed "large" order for life-belts--total rumored to be 300,000.

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